

Sunnyside Gold Corporation

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VIA EMAIL

Peter Butler
Co-Coordinator
Animas River Stakeholders Group
1711 Baby Bear Rd.
Durango, CO 81301

Steve Fearn
Co-Coordinator
Animas River Stakeholders Group
PO Box 468
Silverton, CO 81433

Bill Simon
Co-Coordinator
Animas River Stakeholders Group
8185 CR 203
Durango, CO 81301

Re: Remediation of Clipper Site

Dear Co-Coordinators:

As discussed at last week's meeting of the Animas River Stakeholders Group, the ARSG has identified remediation of the Clipper Waste Rock Site as being a priority in improving water quality in the Animas River. As a partner in the collaborative effort to improve water quality and habitats in the Animas, Sunnyside Gold Corporation is offering to fund such remediation, as detailed below.

As you know, Sunnyside has previously offered to contribute up to \$6.5 Million Dollars toward approved projects to improve Animas River water quality undertaken as part of a collaborative process. Of this total amount, Sunnyside is presently committing to contribute up to Seventy-Five Thousand Dollars (\$75,000) toward remediation of the Clipper Site. This amount is in excess of the ARSG estimate to complete the necessary work. As you are aware, the Clipper

Site, near the headwaters of Eureka Creek, contains about 1,200 to 2,000 cubic yards of highly mineralized waste rock and a historic decline. Remediation would probably entail: 1) consolidating, capping and vegetating the waste rock in an elevated area near the decline; and 2) filling the decline with a mix of waste rock and limestone or cement.

Sunnyside is pleased to continue to be a partner in the ongoing collaborative effort to improve water quality and habitats in the Animas River. Nothing in this letter is intended to or shall be deemed to constitute any admission of liability. We continue to view that time is of the essence in the effort to improve water quality in the Animas, and are hopeful that the Clipper remediation can take place this field season.

Sincerely,

Sunnyside Gold Corporation

Larry Perino

Reclamation Manager

Cc: Kay Zillich

Mike Holmes

Craig Gander

Greg V. Etter